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The drain line from my house to the storm culvert was nearly 300'. I upgraded from 4" to 6" pipe to handle the volume of water.

Insurance Available for Service and Drain Lines New Coverage Too Late for My \$6,000 Repair

After 35 years in the agency I don't get too excited about new products. Until now. The new Service Line Coverage is a rider that can be added to a homeowner policy written by Cincinnati Insurance. It protects utility lines for water supply, water disposal, electric power, heating, natural gas, communications, and drainage. It covers failures due to freezing, root invasion, rupture, breakage, wear and tear, and corrosion.

The premium for \$10,000 coverage is \$25 per year. When I got the pricing sheet I called the insurance company. I thought it was a misprint. How could the company provide so much coverage for so little? It's right.

Last fall I replaced a drain line that was damaged by tree roots. It was a \$6,000 repair bill. The contractor told me that 85% of all drain lines are clogged or damaged.

Who Goes to the Movies During the Day?

With three children in the business I'm often asked when I'm going to retire. As my 62nd birthday approaches I still have plenty of energy and interest in the insurance industry. I'm an avid golfer, but not every day.

My wife and I bought a condo in Bonita Springs FL. That's where she and our dog spent the winter. I go back and forth. During a recent FL trip Lynn and I saw a movie at 1:00 on a Thursday. I thought back over our 38 years of marriage. I wasn't able to remember a single time we did something together on a weekday.



Replacement Cost Coverage Not Owed for Mailbox At Fault Driver Owes for Actual Cash Value

One of our neighbors children drove into our mailbox. We weren't home at the time but a note was left on the door. "Very sorry for damaging your mailbox. Please replace it and send me the bill".

The replacement cost was \$240 which my neighbor paid. However, it occurred to me the mailbox was 5 years old. Assuming it would last 20 years, it was 25% thru its useful life. Therefore I was not owed the full cost of a new one, only the actual cash (depreciated) value of the one I had. I sent my neighbor a check for \$60.



Machinery Insurance Pays Off for Manufacturer

Standard business insurance policies don't fully cover production machinery. To expand coverage, our industry offers a special Machinery and Equipment Breakdown Policy. It paid off for one of our customers when an important piece of equipment broke down and it took nearly a year to find parts and make repairs. The insurance policy paid \$181,891 which included \$99,037 for lost business during the downtime. (Photo at left was taken in the machine room of a museum where I took my grandchildren)

Hurt on the Job But a Fight for Benefits

My wife Lynn worked for 12 years for a retail uniform shop. One of her jobs was to operate an embroidery machine. On Oct 7, 2017 a needle on the machine punctured her hand. It didn't heal so after a few weeks she saw our family doctor. Not wanting to disclose it as a work-place accident, she made the co-pay required by our health plan. She feared that her employer would punish her for an on-the-job injury.

Lynn gave it several more weeks but still no healing. She saw a specialist who diagnosed it as a Pyogenic Granuloma. Hand surgery was her only option. At that point I insisted that she notify the Bureau of Work Comp. Unfortunately her employer would not certify the claim and it was denied. I convinced Lynn to appeal. She and her employer met at the Industrial Commission office in downtown Columbus. Each told their side. The hearing office sided with Lynn and her claim was accepted.

When Lynn was ready to return to work her employer reassigned her to a store across town. Since her old job was close to home she declined the offer. She started a new job a few weeks ago.



Lynn wore this bandage for a week after surgery. She was right about her employers reaction. She misses the customers and people at her old job.

Parents Condo Protected from Water Problems



Last December my parents moved from a condo in Arlington to a nearby apartment. Each of their six children was assigned a duty. Mine was to sell the condo.

The condo became vacant on Dec 1st. While the property was being prepared for sale, I turned off the washer hoses (upper photo). The first year my wife and I were married a washer hose broke in our apartment. She was up most of the night cleaning up the mess. I went back to bed. I've learned a lot about being a husband since then.



When the winter chill arrived I turned off the water (lower photo) and drained the lines. My parents condo generated over 50 showings. One day I got a call from our realtor. During one of the showings a buyer had to answer the "call of nature". I drove over to the property, turned on the water, flushed the toilet, and turned the water back off.



If he were injured on the job, Ralph said he would most likely use that as a reason to retire.

Insurance Specs for Home Contractors

Irrigation Contractor Has Liability Insurance But No Work Comp

The irrigation system at our house is serviced by Ralph Niemann of Ralph's Repair Service. Like most people named Ralph, it's a family name. In his case, his father. In my case, my grandfather.

Ralph's Repair Service has general liability insurance with limits of \$1,000,000. If he damages property or causes injury, there's coverage.

However, Ralph does not cover himself for injuries. I told him Ohio offers coverage thru the Bureau of Work Comp. He said he would just file a claim with the health insurance company his wife uses at work. I'm not so sure that's a good solution. Plus a work comp policy pays lost income.

From the Claim Department

- * This incident happened in a shopping center we insure. A small piece of reinforcing steel was exposed due to a broken parking block. The claimant suffered injuries when she tripped and fell. Settled for \$40,000.
- * Claimant states that work performed by our insured roofing company was not adequate. There was subsequent damage to ceiling, walls, and household goods. Settled for \$18,291.
- * Insured distributed a chemical product. The buyer stored the chemical in a special room for combustibles. A fire erupted in the storage room causing a worker to be seriously injured. Our insured was named as a defendant in a lawsuit. Our insurance company hired a law firm with a reputation for success with product liability cases. Counsel demonstrated the insureds product could not have been the cause of the fire. Claimant counsel excused our insured from the matter and is pursuing other defendants. Defense cost of \$113,599 was paid by the insurance policy.

From the Bond Department

A surety bond is a form of insurance that provides a guarantee of performance or payment. In 2017 our agency was one of the leading surety producers for Cincinnati Insurance. Bonds of this type are normally needed by our construction accounts. Listed below is the bond amount and project description for a few of the contract bonds issued in early 2018.

\$98,600	Public Swimming Pool Renovation / Suburb of Columbus
\$380,348	Painting for Student Housing Project / Oxford Ohio
\$1,294,066	Construction Project / Downers Grove IL
\$650,000	Construction Project / Akron Ohio
\$2,027,453	Material Supply / Baltimore MD
\$67,634	Golf Course Irrigation / Burlington KY
\$109,958	Road Work / ODOT



Valve above is where the sump pump meets the drain line just outside our house. Note the corrosion causing it to leak. Icicles were forming during winter. It was an easy fix for a qualified contractor.



Photo above was taken outside of a residential condominium complex. Does the claim belong to the condo association or the unit owner? These are difficult claims to adjust. A claim was recently submitted by a unit owner for a stolen air conditioner. The adjuster for the association insurance paid. I disagreed. In my view, the claim belonged to the unit owner.



"I do not believe a man can ever leave his business. He ought to think of it by day and dream of it by night" - Henry Ford

I have a succession team in the agency. They are tasked with taking the business forward 30 more years. I hope they recognize the wisdom of Henry Ford.

Total Loss to Truck When Driver Loses Control

What About the Add-On Equipment?

The truck in this photo was outfitted with custom equipment added by our customer. The cab / chassis for the truck was worth about \$10,000. The custom equipment was worth in excess of \$100,000. The claim adjuster offered to pay just the value of the cab / chassis. She said the custom equipment was not part of the truck as delivered by the manufacturer. The customer had a separate "Equipment Floater" policy. A second claim was filed for just the custom equipment. The insurance company sent two checks. It took two policies, but the customer was paid in full.



Insurance Company Pays Diminished Value Long After Accident

Our daughter Kelly Johnston was involved in an auto accident on October 6, 2015. In November of 2017 Kelly traded in her car for a new one. However, the auto dealer subtracted nearly \$2,000 from the book value. Per CARFAX the accident reduced the value of her car. It's called "diminished value" and Kelly was not aware until she was ready to make the trade. I suggested she contact Allstate, the insurance company for the at-fault driver. Since the accident was two years prior, she was sure it was too late. I reminded her that Allstate spends hundreds of millions on TV ads. Maybe they would spend a little for her goodwill. Allstate reopened the claim and sent her an additional \$500.

Insurance Agencies of Ohio

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